

**COMPUTATION of the GENERATION CHARGE for May 2010 \***  
**(Applicable for Customers Not Under TOU, CCP and Ecozone)**  
**Based on April 2010 Generation Costs**

| Source                                                                                              | (A)<br>GWH<br>(million kWh)<br>Purchased | (B)<br>Energy<br>Share<br>(%) | (C)<br>Basic<br>Generation<br>Cost<br>(PhP) | (D)<br>Other<br>Cost<br>Adjustments<br>(PhP) | (E = C + D)<br>Total<br>Generation Cost<br>for the Month<br>(PhP) | (F = E/A)<br>Average<br>Gen Cost<br>(April 2010)<br>(PhP/kWh) | (G)<br>Average<br>Gen Cost<br>(March 2010)<br>(PhP/kWh) | (H)<br>Incr/(Decr)<br>(PhP/kWh) |
|-----------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------|---------------------------------------------|----------------------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------------------|---------------------------------|
| NPC and WESM                                                                                        |                                          |                               |                                             |                                              |                                                                   |                                                               |                                                         |                                 |
| NPC**                                                                                               | 905.81                                   | 37.87%                        | 4,709.11                                    | 363.19 <sup>b</sup>                          | 5,072.29                                                          | 5.5997                                                        | 5.5493                                                  | 0.0504                          |
| WESM***                                                                                             | 402.91                                   | 16.85%                        | 3,773.66                                    | (769.08) <sup>c</sup>                        | 3,004.58                                                          | 7.4571                                                        | 11.3607                                                 | (3.9036)                        |
| Subtotal                                                                                            | 1,308.73                                 | 54.72%                        | 8,482.77                                    | (405.89)                                     | 8,076.87                                                          | 6.1716                                                        | 7.5203                                                  | (1.3488)                        |
| IPPs                                                                                                |                                          |                               |                                             |                                              |                                                                   |                                                               |                                                         |                                 |
| Dispatch <sup>a</sup>                                                                               |                                          |                               |                                             |                                              |                                                                   |                                                               |                                                         |                                 |
| QPPL 97.30%                                                                                         | 338.91                                   | 14.17%                        | 1,339.20                                    | (0.63) <sup>d</sup>                          | 1,338.57                                                          | 3.9496                                                        | 4.4372                                                  | (0.4876)                        |
| Sta Rita 50.54%                                                                                     | 392.18                                   | 16.40%                        | 2,102.89                                    | -                                            | 2,102.89                                                          | 5.3621 <sup>e</sup>                                           | 6.7598                                                  | (1.3977)                        |
| San Lorenzo 89.76%                                                                                  | 351.31                                   | 14.69%                        | 1,525.17                                    | -                                            | 1,525.17                                                          | 4.3414 <sup>e</sup>                                           | 5.8850                                                  | (1.5436)                        |
| Subtotal 71.31%                                                                                     | 1,082.40                                 | 45.26%                        | 4,967.26                                    | (0.63)                                       | 4,966.63                                                          | 4.5885                                                        | 5.8299                                                  | (1.2414)                        |
| Philpodeco                                                                                          | 0.26                                     | 0.01%                         | 1.39                                        | -                                            | 1.39                                                              | 5.3292                                                        | 3.9688                                                  | 1.3604                          |
| MMPC                                                                                                | 0.29                                     | 0.01%                         | 1.87                                        | -                                            | 1.87                                                              | 6.4661                                                        | 6.4692                                                  | (0.0032)                        |
| <b>Total Generation Cost</b>                                                                        | <b>2,391.68</b>                          | <b>100.0 %</b>                | <b>13,453.29</b>                            | <b>(406.52)</b>                              | <b>13,046.76</b>                                                  | <b>5.4551</b>                                                 | <b>6.7030</b>                                           | <b>(1.2480)</b>                 |
| <i>Generation Rate Adjustments</i>                                                                  |                                          |                               |                                             |                                              |                                                                   |                                                               |                                                         |                                 |
| Pilferage Recovery                                                                                  |                                          |                               |                                             |                                              |                                                                   | (0.0306) <sup>f</sup>                                         | (0.0274)                                                | (0.0033)                        |
| High Load Factor Rider                                                                              |                                          |                               |                                             |                                              |                                                                   | 0.0155                                                        | 0.0220                                                  | (0.0065)                        |
| TOU Differential                                                                                    |                                          |                               |                                             |                                              |                                                                   | 0.0023 <sup>g</sup>                                           | 0.0022                                                  | 0.0001                          |
| Amortization of March 2010 under recovery                                                           |                                          |                               |                                             |                                              |                                                                   | 0.0700 <sup>h</sup>                                           | 0.0700                                                  | 0.0000                          |
| <b>Generation Charge</b>                                                                            |                                          |                               |                                             |                                              |                                                                   | <b>5.5123</b>                                                 | <b>6.7699</b>                                           | <b>(1.2576)</b>                 |
| billing month  |                                          |                               |                                             |                                              |                                                                   | <b>May 2010</b>                                               | <b>April 2010</b>                                       |                                 |

Notes:

\* based on April 2010 supply month preliminary bills of power suppliers

\*\* includes NPC TSC, Assigned TSC (Masinloc, Makban, Pagbilao, Sual and Calaca) and residual from NPC special programs

\*\*\* based on April 2010 preliminary bill and other WESM adjustments; WESM purchases comprise 15.52% of the total net system input which includes purchases for special programs such as CCP, Ecozone and Sunpower

**a** - The dispatch figures shown are the capacity factors of the IPPs' power plants.

**b** - for GRAM, ICERA, Franchise and Benefits to Host Communities, Fuel and Purchased Power Cost Adjustment, Foreign Exchange-related Adjustment and NPC Station Service

**c** - for Market Fees and other billing adjustments

**d** - adjustment for transmission line fee

**e** - The decrease in IPP's overall generation cost was due to the decrease in the effective cost of fuel used by the IPPs.

**f** - represents the amount of PhP73.3 million pilferage recovery returned by Meralco to its customers

**g** - calculated based on the formula provisionally-approved by the ERC on June 27, 2007 in ERC Case No. 2007-111 RC

**h** - In accordance with ERC's Provisional Approval dated March 10, 2010 on ERC Case No. 2010-017